

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Study Session

January 21, 2003
6:00 p.m.

Council Conference Room
Bellevue, Washington

PRESENT: Mayor Marshall and Councilmembers Creighton, Davidson, Lee¹, Mosher, and Noble

ABSENT: Deputy Mayor Degginger

1. Executive Session

Mayor Marshall opened the meeting at 6:00 p.m. and announced recess to Executive Session for approximately one hour to discuss one item of potential litigation and one item of property disposition. The Study Session resumed at 7:00 p.m. with Mayor Marshall presiding.

2. Study Session

(a) 50Fest Planning Status Update and Contract Discussion

Mayor Marshall welcomed John Valaas and Anne Taylor, Bellevue 50Fest Committee Co-Chairs. Ms. Taylor said 50Fest activities will commence on Monday, March 31, when Bellevue's official birthday party will be held at Meydenbauer Center. 50Fest is a community project involving numerous citizen volunteers and events as well as Mayor Marshall and Kemper Freeman, Jr., as Honorary Co-Chairs. The activities are designed to celebrate Bellevue's evolution into a great city, encourage tourism, build community bonds, create lasting legacies, and have fun.

Mr. Valaas said 26 sponsors, including The Boeing Company and *King County Journal*, are supporting 50Fest events. So far approximately \$170,000 in cash donations have been received as well as \$100,000 from the City and \$100,000 of in-kind donations. In addition to the March 31 celebration, major events include a Dance as You Were sock hop, Arbor Day, and Bellevue Motorama.

Ms. Taylor said the March 31 event, sponsored by Pacific Northwest Bank, will feature a big birthday cake with Sister City and Bellevue representatives to blow out the candles and the

¹ Mr. Lee arrived at 6:19 p.m.

50Fest history exhibit. The Dance as You Were sock hop, hosted by KBSG radio station, is scheduled for April 5 and will include a live band, fun food with 1950s prices, contests for all ages, and a low admission fee. Arbor Day, April 26, will be sponsored by the Seattle Times and involve tree plantings and a community lunch at Kelsey Creek Park. Bellevue Motorama is tentatively scheduled for August 23 and will be sponsored by Merrill Lynch. Related neighborhood functions are scheduled throughout the year including events in Factoria, Crossroads, and Lake Hills. Ongoing annual events will incorporate the 50Fest theme as well including Best of Bellevue art show, Kelsey Creek Sheep Shearing, Bellevue Family 4th, Seafair Half-Marathon, Bellevue Arts Fair, and the Magic Season. Additional special projects include a History Hunt contest, the history exhibit and video, a time capsule, and historical articles. History Hunt will run from March 31 to May 23 with clues in the *King County Journal*, prizes from Factoria Mall merchants, and a grand prize trip to one of Bellevue's sister cities.

Mr. Valaas said primary fundraising is mostly complete and event budgets are being finalized. Marketing efforts will begin in February utilizing a web site, posters and banners, advertising, and media exposure. The 50Fest Committee is still seeking funds for a history book and to sponsor an October event. Mr. Valaas thanked the City for the work and involvement of Ron Langley, Public Information Officer.

Responding to Mr. Creighton, Ms. Taylor said the City's birthday party is scheduled for 6:00-8:00 p.m. on March 31, a fifth Monday of the month so there will be no City Council meeting. In further response, Mr. Langley said the estimated cost of the history book project is under \$60,000. Mr. Mosher feels the book is a valuable endeavor and suggested including both historic and current photos of Bellevue.

Responding to Mr. Noble, Brenda West explained that Advance Bellevue's Best of Bellevue event this year will celebrate leaders who have contributed to the community's development. The event, scheduled for April 9, will present AB's traditional awards to current community leaders as well as Legacy Awards to honor one leader from each decade of the past 50 years. Nominees will be announced in early February.

Responding to Mr. Noble, Mr. Langley said Sister City related events are still in the planning stages. Mayor Marshall thanked the Hyatt Regency Hotel for donating hotel rooms to host visiting Sister City officials.

(b) Update on ERP (Enterprise Resource Planning, or Finance/HR System)

City Manager Steve Sarkozy recalled that Council passed Ordinance No. 5426 on December 9, 2002, approving the 2003-2009 Capital Investment Program (CIP) including Plan No. G-59, Finance and Human Resources System Replacement Project. He asked staff to provide an update on this project.

Toni Cramer, Chief Information Officer, reviewed a diagram of the City's current financial and human resources systems and interfaces with other systems. The ERP (Enterprise Resource Planning) project, as the Finance/HR System Replacement is called, will upgrade the City's

legacy systems by converting to an integrated, Web-based technology. This shift will eliminate redundancy in current systems and consolidate business processes.

Cathy Johnson, ERP Manager, discussed the status of the software selection process. A Request for Proposals (RFP) was released on November 4, 2002 and responses from vendors were received on November 27. Vendor demonstrations will be held in February. Initial criteria considered by staff included the software footprint (the functional modules provided by the software), government focus and functionality, technology platform used, capability to host additional government entities, and overall costs. The City is looking for a software footprint that will accommodate at least 14 functional modules. In terms of government focus, the RFP requested information on the number of government installations, successful installations in Washington state, and the implementation of Police and Fire Payroll/HR systems. Total ownership costs include one-time and ongoing costs related to software, hardware, implementation services, City staffing, and ongoing maintenance and upgrades.

Ms. Johnson said the City received 17 responses to the RFP. The 14 responses from software vendors were categorized into three tiers. Tier 1 represents the largest vendors with the highest level of technology. However, these vendors represent less government-specific functionality, greater system support and maintenance costs, and are potentially less attractive for hosting other cities. Tier 2 vendors offer a large footprint, advanced technology, and lower costs than Tier 1 vendors. They are potentially more attractive for hosting cities because they are less complex than Tier 1 software, but like Tier 1 vendors they offer less government-specific functionality. Tier 3, or niche, vendors provide government-specific functionality and lower costs and are potentially more attractive for hosting other cities. However, Tier 3 vendors offer a smaller footprint, less advanced technology, and higher system integration costs.

Ms. Johnson reviewed similar ERP software selection for Washington cities:

Tier 1 vendors – Seattle, Tacoma, and Vancouver

Tier 2 vendors – Kent

Tier 3 vendors – Kirkland, Marysville, Mercer Island, Redmond, and Renton.

She reviewed a table comparing selected vendors against the established criteria. Staff has selected JD Edwards, SunGard Bi-Tech, and MUNIS for the February vendor demonstrations based on an evaluation of the vendors' qualifications. Any of the three vendors could be implemented within the established project budget.

Responding to Mr. Noble, Ms. Cramer said vendors were evaluated and rated by both the project team and the steering committee. Mr. Noble asked if there would be any benefit in waiting a couple more years for technology to change before selecting a vendor. Ms. Cramer anticipates that Web-based technology will continue to mature without experiencing major changes in the next one to two years. She further noted the City's systems and interfaces are becoming increasingly fragile and outdated and that the time to move forward is now.

In response to Mr. Lee, Ms. Cramer said staff will spend the next couple of months looking into the vendors' business strategies, future products, and financial stability. Staff will visit agencies

using the vendors' products and gather information about performance of the software and the vendors' customer service and responsiveness.

Ms. Cramer described discussions to add a number of senior-level executives/citizens with recent experience in this type of technology project to the Steering Committee. Mr. Lee suggested perhaps a Councilmember would like to serve on the Steering Committee.

Mr. Sarkozy explained that the Steering Committee will be developing a plan to re-engineer some of the City's business processes as a critical element of the systems replacement project. He noted Council's future role in establishing relevant guiding principles as this plan is developed.

Ms. Cramer said the short list of vendors will be announced on January 22 and vendor demonstrations are scheduled for February. Staff will return on March 3 for Council authorization of the next increment of project funding. Ms. Cramer emphasized the importance of implementing core financial functions by January 2004 in order to implement during an off-budget year and at the beginning of a fiscal calendar year. In order to meet this schedule, contract negotiations and the recruitment and training of backfill staff will take place March through June.

Following additional brief discussion, Mayor Marshall suggested that Councilmembers submit any questions for staff prior to the March 3 Council meeting.

At 7:57 p.m., Mayor Marshall announced recess to the Regular Session.

Myrna L. Basich
City Clerk

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